

North Sydney Olympic Pool

1935 to 1936
2020 to 2025



Seizing an Opportunity Delivering on a Vision



1935 North Sydney Council decided to build The Pool

- Engaged
 - Rudder and Grout to design The pool
 - Kell and Rigby to build The pool
 - Contract price £40,000
 - Loan £32,500
 - Completion Price £ 47,000

Pool opened on 4 April 1936



THE FOUR QUESTIONS

- | | |
|--|---|
| Did the pool need to be replaced? | ? |
| Was the "right" replacement chosen? | ? |
| Were the "right" contracts put in place | ? |
| Are the contracts being well administered? | ? |



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PHASE 1 – DID THE POOL NEED TO BE REPLACED

- 2007 The pool was leaking
- Nylex liner installed
 - 10 year life
 - Concerns raised about structural integrity of the pool shell and surrounds given the leakage of salt water
- 2013
- July Council:
 - adopted a report for upgrade of the pool (shell)
 - issued a tender for
 - "specialist consultants to supply design services for the upgrade" and
 - the preparation of Master Plan Options
 - December Brewster Hjorth Architects bid accepted

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PHASE 1 – DID THE POOL NEED TO BE REPLACED

- 2018 Mahaffey Associated engaged to report on the grandstand built in 1934-36
- Noted – hypothetical, if constructed in accordance with AS3600 the expected design life would be 50+/- 10 years
 - Reviewed results from 17 cores (75mm by 67mm)
 - Reported reinforcement corrosion due to elevated chloride and carbonation levels impacting on structural integrity
 - Recommended against retention in new development
 - Advised the imposition of capacity constraints at 75% of design capacity (less than 1500 people)
- 2019 Professor Max Irvine (structural/civil engineer; UNSW + Worley Parsons) engaged, he advised to:
- impose capacity constraints at less than 900 people
 - crowd control measures to prevent surges in weight distribution

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PHASE 1 – DID THE POOL NEED TO BE REPLACED

Pool shell and grandstand failing

By 2020,

- The pool liner installed a decade ago to stop leaking was progressively failing
 - 30,000 litres each day leached out
 - Scouring out the fill beneath the pool putting pool shell at increasing risk of structural failure
- The grandstand suffering concrete cancer; load bearing capacity was diminishing
- Doing (a) nothing or (b) refurbishing were simply not a viable options

Not all Councillors were of a mind to get on with it: Mayor Baker - It is no secret that during the last term of Council, I (with Cr MaryAnn Beregi and former Cr Tony Carr) consistently opposed the design, scale and cost of the North Sydney Olympic Pool redevelopment and, particularly the significant \$30 million in borrowings for the \$63.9 million project.

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THE FOUR QUESTIONS

Did the pool need to be replaced?	Yes
Was the "right" replacement chosen?	?
Were the "right" contracts put in place	?
Are the contracts being well administered?	?



PHASE 2 – REPLACED WITH WHAT?

2014

- September/November Phase 1 (of 2) of Community Consultation conducted (scope options) Consultation included survey with 1,145 respondents
 - 1,035 non-users, 105 users, 5 schools, stakeholder meetings, Precinct Committees
- December Outcome of Phase 1 reported to Council – Council decided to develop 6 options

2015

- August/September Phase 2 of Community Consultation
 - 1,785 respondents to survey
 - 100 submissions

Leases for Ripples and Aqua "renewed"

 - No demolition provision in either of the leases

PHASE 2 – REPLACED WITH WHAT?

2015

- March
- August/September

Council resolved to put 6 options on Public Exhibition
Public Exhibition of the six options



- 1. \$16m pool + part refurbish grandstand
- 2. \$28m pool + full refurbish grandstand + upgrade 25m pool
- 2B pool + replace grandstand (later replace 25m pool)
- 3. \$52m pool + replace grandstand + upgrade of 25m pool
- 4. \$49m
- 5. \$49m
- 6. \$72m
- 7. \$77m

PHASE 2 – REPLACED WITH WHAT?

OPTION	1	2	3	4	5	6	7
AQUATICS							
New Large Pool for lap-swimming and other activities	●	●	●	●	●	●	●
New Family Leisure Pool	●	●	●	●	●	●	●
8 Lane 25m Pool	○	○	○	○	○	○	○
New Splashpad and Waterplay Area		Existing pool upgraded	Existing pool upgraded	Existing pool upgraded	Existing pool upgraded		
New Waterside			●	●		●	●
International Standard Diving Facility					●	●	●
New Hydrotherapy Pool				reduced range of heights		●	●
CHANGE ROOMS							
Upgrade Existing Change Facilities	●	●					
New Change Rooms			●	●	●	●	●
GYM / WELLNESS CENTRE							
Upgrade Existing Gym	○						
Relocate Gym to Upper Grandstand		●					
New Large Gym and Wellness Centre under the Pool			●	●	●	●	●
			below pool deck level	below pool deck level	below pool deck level	below pool deck level	at pool deck level with view but over the pool
EVENTS SPACE							
New Events Space			●	●	●	●	●
GRANDSTAND							
Part Refurbishment of Existing Grandstand	●						
Full Refurbishment of Existing Grandstand		●					
New 800 Seat Grandstand and Shade Structure			●	●	●	●	●
						750 seats	750 seats
New Underground Parking for: (number of spaces)						125 car spaces	165 car spaces

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PHASE 2 – REPLACED WITH WHAT?

Options	User High Use Score (a)	User High use weighted score (30%)	Community Score (b)	Community Weighted Score (70%)	Total Weighted Score (100%)	Total Weighted Ranking
One	6	18%	2.4	17%	35%	4
Two	5	15%	3.66	26%	41%	3
Three	3	9%	4.68	33%	42%	2
Four	2	6%	4	28%	34%	5
Five	1	3%	2.64	18%	21%	6
Six	4	12%	5.4	38%	50%	1
Key:						
a	Information sourced from the community engagement survey					
b	Information sourced from Market Segmentation Workshop; Staff Workshop and Submissions rankings					

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PHASE 2 – REPLACED WITH WHAT?

2016

- March

Council:

- Received report of Outcome of Public Exhibition (favouring options 1 and 2)
- Resolved to proceed - detail design development for the purposes of a Development Application

2017

- November

Council resolved to go with option 2 (lowest cost replace pool + refurbish grandstand)

2018

- June

Contracts awarded:

- Design Services contract to Brewster Hjorth Architects
 - Long term association
 - Concern with heritage components and need for tight control
- Project Management Services to NS Projects

- September
- October/November

Council's Value Management Workshop (input from Steering, Stakeholder and Project Committees)
Mahaffey & Associates and Mott MacDonald engaged to assess Grandstand

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PHASE 2 – REPLACED WITH WHAT?

2019

Reported to Council that Grandstand failing



- March

- Council briefed on option 2B:
 - Being option 2 with grandstand at an estimated cost of \$57.9m
 - To be delivered "using traditional design and construction methodology that will require design services (multidisciplinary team of consultants - led by a head consultant) to deliver documentation over four stages"
 - 1 Services for Detail Design Development
 - 2. Development Application and Statutory Approvals
Planned for September/October 2019
 - 3. Documentation for Tender and Construction Purposes
Planned for completion by June 2020
 - 4. Design Services during Construction, Post Construction and Occupancy

- September
- August

- Reported stage 2 completed
- Reported stage 3 completed

1. \$16m	pool + part refurbish grandstand
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2B	pool + replace grandstand (later replace 25m pool)

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THE FOUR QUESTIONS

Did the pool need to be replaced?	Yes
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PHASE 3 - SELECTING CONTRACTORS

- 2013 Brewster Hjorth appointed "specialist consultants to supply design services for the upgrade" and the preparation of Master Plan Options
- 2018
- Tender issued for Design Services Contract
 - Brewster Hjorth awarded Design Services Contract
- 2020
- October Leading Sydney based construction law firm engaged to prepare contract for construction based on AS4000
- 8 contractors identified as capable of delivering the project and then invited to bid
- November 5 "non-conforming" bids received

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PHASE 3 SELECTING CONTRACTORS

- 2020
- December 10 Council resolved to:
 - have direct negotiations with the preferred tenderer(s) in sequence of their ranking order
 - General Manager to negotiate contract with preferred tenderer
 - within amended budget and with variations to be approved by committee of Councillors (Contract Consent Committee)
 - With construction law specialist, Sparke Helmore, advising
- The process:
- For decision - issue a new tender v. enter *direct negotiation*
 - Decided to enter into direct negotiation because no better outcome was expected from a new tender
 - All bids assessed (and rated):
 - Assessment by Council's Tender Evaluation Panel
 - Assessment process endorsed by Council's Procurement Panel overseen by *Prevention Partners* (independent probity officer)

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PHASE 3 - SELECTING CONTRACTORS

2020

- December Icon's bid assessed with highest rating by the Tender Evaluation Panel and recommended for *direct negotiation*

Negotiation resulted in agreement to construct for \$63.9m

- December 15 Council resolves to contract with Icon

2021

- January Construction contract executed

What did *Prevention Partners* have to say about the tender process?

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PHASE 3 - SELECTING CONTRACTORS



Prevention Partners NSW

...a gram of prevention is worth a kilo of cure™

I have been involved in and witnessed numerous projects similar to this. I am delighted to say that this Project was managed with attendance to probity, due diligence, and legal compliance

The Panel brought to the Project their full attention and experience for the purpose of achieving the best possible outcome in the public interest. Further, sufficiently senior staff members were assigned functions in relation to the Project, including involvement of the General Manager, as necessary

The professionalism I witnessed by each staff member involved in this Project was exemplary

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PHASE 4 - ADMINISTERING THE CONTRACTS (DESIGN AND CONSTRUCTION)

Council's have a traditional reporting structure:

- The reporting lines bring the collective wisdom of the executive through the CEO to the Mayor

General Manager	Term
Ken Gouldthorp (resigned)	2018 to June 2022
Robert Emerson (acting)	June 2022 to November 2022
Therese Manns	From November 2022

Responsible Director	Term
Duncan Mitchell (contract not renewed)	2012 to 25 January 2023
	25 January to 17 July 2023
Gary Parsons	From 17 July 2023

Council's have a traditional reporting structure:

- The Mayor, by setting Council meeting agendas, causes Councilors to be informed, give direction and take decisions

Mayors	Term
Jilly Gibson	2012 – September 2021
Zoe Baker	10 January 2022

PHASE 4 - JOURNEY FROM \$63.9m to \$100+m

2021

- February

Governance structure varied to "meet the requirements of the construction phase"

7 councilors voted in support for the proposed structure with 3 against; no amendments were put forward

PHASE 4 - JOURNEY FROM \$63.9m to \$100+m



PHASE 4 - COUNCILORS SHOCKED BY CLAIM

Mayors Minute of 10 October 2022 (Passed)

Independent review of the North Sydney Olympic Pool redevelopment project

This new Council has inherited the North Sydney Olympic Pool redevelopment project in a design, form, governance structure and financing model established and adopted by the former Council (2017-2021)

"The project is not meeting the projected timing and cost due to significant delays and variations under the building contract

We need fresh eyes to assist Council to understand how we got here, where to go next and how to ensure that this Council and future councils can sustainably manage the financial burden of the project and deliver an exceptional experience for pool users

I therefore recommend:

- 1. THAT Council urgently undertake an independent review of the Council's management of the North Sydney Olympic Pool redevelopment project*
- 2. THAT Council engage a suitably qualified independent person to undertake a thorough review of all aspects of the North Sydney Olympic Pool redevelopment project and prepare a report to Council*

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PHASE 4 - WHAT WENT WRONG?

Off the back of the Mayor's Minute (10 October 2022) PricewaterhouseCoopers was engaged by Council and reported in first quarter 2023

It made 16 "findings" and 33 recommendations (13 specific to the Pool Project)

To my mind the most significant "findings" included:

- *There was a mismatch in the expectations between Council and some contractors*
- *Need to appoint an external project manager (appointed in August 2023)*

The review recommended as an action "the creation of an executive forum for discussion between Council as client and both Principal Design Consultant and Construction Contractor to mitigate the impacts and costs of formal escalation under contract"

2023 June (August)

APP Corporation engaged to provide project management services

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